

**SECRET**

Approved For Release 2005/04/18 : CIA-RDP83M00171R000400040001-9

RM 79-2339

10 JAN 1979

MEMORANDUM FOR: Director, Community and Legislative Liaison Office  
Director, Program and Budget Office  
Director, Information Resources Office  
Acting Director, Policy Guidance Office

FROM: [REDACTED]  
Acting Director, Program Assessment Office

SUBJECT: PAO Report on External Analysis in Support of  
National Intelligence Products

REFERENCE: D/DCI/RM Memo, dtd 29 August 1978, Subject: Joint  
Intelligence Community Studies Requested by Congress

1. In its review of the FY 79 NFIP Budget, the Senate Select Committee on Intelligence (SSCI) asked the DCI to prepare a report on external contractor support in the area of studies and analysis. The reference tasked this office to prepare a response to the SSCI request.

2. Attached for your review and comment is a PAO draft report entitled "External Analysis in Support of National Intelligence Products." The report was prepared by [REDACTED] Request that you provide any comments you might have on the report to [REDACTED] prior to 17 January 1979. Our intention is to forward a final version of the report to [REDACTED] for his approval on 19 January 1979. [REDACTED]


Attachment:  
PAO Draft Report

cc: D/DCI/RM

Approved For Release 2005/04/18 : CIA-RDP83M00171R000400040001-9


**SECRET**

Distribution:

- 1 - D/CLLO
- 1 - D/PBO
- 1 - D/IRO
- 1 - AD/PGO
- 1 - PAO Subject
- 1 - PAO Chrono
- 1 - 
- 1 - D/DCI/RM
- 1 - Registry

25X1

25X1

PAO/  10 January 1979

**SECRET**

Originators:

25X1

Approved For Release 2005/04/18 : CIA-RDP83M00171R000400040001-9

January 1979

Reviewer:

EXTERNAL ANALYSIS IN SUPPORT OF NATIONAL INTELLIGENCE PRODUCTION

Introduction

Prompted by interest expressed by the Senate Select Committee on Intelligence, this brief report endeavors to define the scope, detail, and orientation of external studies and analyses proposed by the Director of Central Intelligence in his budget request for intelligence production for fiscal year 1980.

The report is descriptive rather than normative or evaluative. No effort has been made to probe such potential issues as the desirability of more centralized controls over the community-wide contractual effort, the soundness of the management procedures now in use, or the extent to which contract analyses on substantive intelligence matters might indirectly influence procurement decisions within the community. Similarly, there has been no attempt to appraise the contributions of such "outside" analyses to the overall performance of its government sponsors.

Resolution of such points would demand a considerable and sustained commitment of analytic resources. In presenting the data which follow, the intent has been to lay the sort of definitional framework that will be useful in reaching decisions as to how much, if any, additional study is warranted.

25X1

It should further be noted that the report addresses only the production portion of the National Foreign Intelligence Program.

Approved For Release 2005/04/18 : CIA-RDP83M00171R000400040001-9

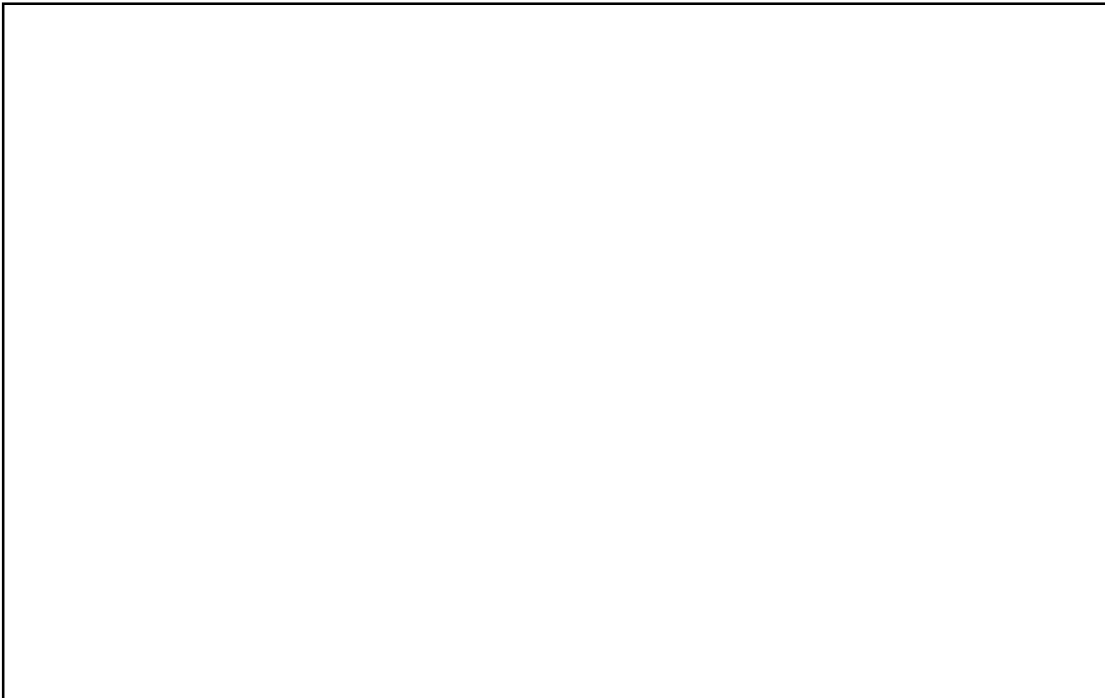
**SECRET**

Next 6 Page(s) In Document Exempt

Trends

25X1 Additional research would be necessary to establish any meaningful historical trends in the monies devoted to external studies by the production community at large. Sufficient data are, however, available to provide context for the DCI's FY 1980 request for the CIA. This information is presented in Table IV, below. Although the FY 80 request is  than the amount appropriated in FY 1978, after adjusting for the effect of inflation the real level of effort will be marginally less than in either of the earlier years. The only significant change occurred in the budget for external political analysis, with displayed substantial growth in FY 1979, albeit from a quite small FY 1978 base.

25X1



Mission Orientation

Any attempt to ascertain the substantive emphasis of production activities has got to be couched in a certain subjectivity. Notwithstanding this limitation, the importance of appreciating how these activities are oriented with regard to subject matter is sufficient to warrant such efforts as that represented in Table V, which employs the descriptions provided by intelligence program managers in their FY 80 budget submissions to allocate external studies and analysis among the ten priority mission areas associated with the National Foreign Intelligence Program.\* The greater specificity embodied in the mission categories used in Table V have obvious advantages in this regard over the aggregated (military, S&T, Political, Economic) budget groupings discussed in several of the preceding displays.

Military missions--strategic planning, tactical planning and support to operating forces--clearly emerge as the subjects dominating the external studies and analysis at all three of the principal production sources, absorbing most of the levels earlier associated with Scientific and Technical intelligence as a consequence of a more strict interpretation of that classification (i.e., to include the qualifier, non-military). The military missions are, in turn, lead by strategic topics, with [ ] external analytic support requested. Tactical military studies are of second priority, [ ] earmarked for their pursuit.

25X1

25X1

---

\*No data exist to permit determination of the extent of correlation between external and internal efforts, nor is it immediately obvious whether a strong or weak correlation should be viewed more favorably. The inclination to assume that both efforts should reflect the same Community priorities (i.e., reflect a strong correlation) could be countered by the argument that higher priority tasks should be performed internally where possible, with what are generally lesser priority studies relegated to outside concerns (an arrangement which would weaken the measure of correlation).

Next 14 Page(s) In Document Exempt